

# House Study Bill 187 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON COMMERCE BILL BY  
CHAIRPERSON COWNIE)

## A BILL FOR

1 An Act relating to authorized investments of public funds by a  
2 joint investment trust.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 12B.10, subsection 5, paragraph a,  
2 subparagraph (7), Code 2013, is amended to read as follows:

3 (7) (a) A joint investment trust organized pursuant  
4 to chapter 28E prior to and existing in good standing on  
5 the effective date of this Act or a joint investment trust  
6 organized pursuant to chapter 28E after April 28, 1992,  
7 provided that the joint investment trust shall either be rated  
8 within the two highest classifications by at least one of the  
9 standard rating services approved by the superintendent of  
10 banking by rule adopted pursuant to chapter 17A and operated  
11 in accordance with 17 C.F.R. § 270.2a-7, or be registered  
12 with the federal securities and exchange commission under the  
13 federal Investment Company Act of 1940, 15 U.S.C. § 80a, and  
14 operated in accordance with 17 C.F.R. § 270.2a-7. The manager  
15 or investment advisor of the joint investment trust shall be  
16 registered with the federal securities and exchange commission  
17 under the Investment Advisor Act of 1940, 15 U.S.C. § 80b.

18 (b) A joint investment trust described in subparagraph  
19 division (a) may invest in obligations of any state or a  
20 political subdivision or agency of any state, provided that  
21 such obligations are rated at the time of purchase within the  
22 two highest classifications established by at least one of the  
23 standard rating services approved by the superintendent of  
24 banking by rule adopted pursuant to chapter 17A.

25 EXPLANATION

26 This bill relates to authorized investments of public funds.  
27 Currently, Code section 12B.10, subsection 5, authorizes  
28 a political subdivision of the state to invest in a joint  
29 investment trust organized pursuant to Code chapter 28E. The  
30 bill expands the forms of investment a joint investment trust  
31 can make to include obligations of any state or a political  
32 subdivision or agency of any state. The bill provides that  
33 such obligations must be rated at the time of purchase within  
34 the two highest classifications established by at least one of  
35 the standard rating services approved by the superintendent of

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1 banking by rule adopted pursuant to Code chapter 17A.